



*Peter*  
**MATHEWS**  
DEMOCRAT • CONGRESS

July 20, 1998

Federal Election Commission

MUR 4786

This is an official letter of inquiry regarding the Steve Horn for Congress Campaign's possibly illegal activity in the 1998 Primary and General Elections for the United States House of Representatives 38th Congressional District seat. Peter Mathews is the Democratic Party nominee and Horn's chief opponent in the November General Election.

These are the facts:

>Steve Horn campaign paid for and sent out a letter titled "Indian-Americans for Horn 3944 Pine Ave. Long Beach, CA. 90807 (562) 492-9389" to Mathews for Congress campaign donors on March 17, 1998. The "Indians-Americans for Horn" letter urged the Mathews for Congress donors to stop contributing funds to the Mathews for Congress campaign and provided half-truths and outright disinformation as to why Mathews' contributors should stop contributing. The letter states, "...this letter is to urge you not to waste your money by contributing to the campaign of Peter Mathews." Enclosed is a copy of the letter.

According to the Federal Election Commission's advisory opinions on impermissible uses of a campaign committee's list of individual contributors, a Congressional candidate such as Horn cannot use his opponent's contributors list for "solicitation purposes." It appears that the Horn Campaign committee acted illegally in mailing the negative solicitations to Mathews donors in the letter. Asking donors to not contribute to a campaign constitutes a form of solicitation which would appear to be a violation of the law.

The Mathews Campaign requests that the Federal Election Commission conduct a formal inquiry into the aforementioned probable illegal activity of the Horn Campaign and appropriately punish any federal election law violation by Steve Horn for Congress.

*Preston Fletcher*

Preston Fletcher  
Campaign Manager  
Mathews for Congress

District of Columbia, DC

Subscribed and sworn to  
before me this 10<sup>th</sup> August 1998.

*Jeannette Henderson*  
Jeannette Henderson

Notary Public, District of Columbia  
My Commission Expires May 31, 2001

Paid for by Mathews for Congress

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INDIAN-AMERICANS FOR HORN  
3944 PINE AVENUE  
LONG BEACH, CA 90807  
(562) 492-9389

March 17, 1998

Dear Friends,

Unlike most letters you receive about politics, this letter does not ask you to contribute money. In fact, this letter is to urge you not to waste your money by contributing to the campaign of Peter Mathews. In 1994, the undersigned wrote an open letter to the Indian-American community correcting the false statements that Mr. Mathews was making about our friend and colleague, Congressman Steve Horn, especially that Steve was somehow an enemy of India. We warned that Horn was very popular in this district and that Mathews was overstating his campaign and his prospects for winning.

Although we were criticized by some, the results bore us out when Mathews, despite the Indian-American community contributing almost a half million dollars to his campaign, was beaten as badly as any candidate in this area ever has been. Now, the 1998 election is upon us and Mr. Mathews is running again and, once again, he is telling the Indian-American community around the country that he has a great chance of winning. He does not--and everyone in this area knows it. Here are the facts:

1) Peter has run again and again--seven times in fact--for office all over the state of California and he has never won. This is the fourth time he has run for Congress in the 38th Congressional District. Although he will tell you that he has won a great "victory" by being unopposed in the Democratic primary this year, this has nothing to do with Peter Mathews, and it has everything to do with the strength of Congressman Horn. In fact, Mathews has never won a contested primary for the nomination. Every time he has faced an opponent in the Democratic primary, he has lost (1992 and 1996). As in 1994, he only received the nomination this year because no one else filed against him. They did not file because the Democrats know that they are not going to beat Steve Horn, especially in a mid-term election which favors Republicans.

2) Peter's rhetoric to convince the Indian-American community to support him is exactly what he said in 1994 when he was badly beaten by a margin of 21% of the votes cast (58% for Horn to 37% for Mathews--a margin of 31,000 votes). He says: "Peter is strong;" "Horn is weak;" "Horn faces a challenge in the Republican primary" (Horn also faced a challenge in the 1994 Republican primary); "If you contribute, Peter can win;" "Victory is assured." In 1994, the Indian-American community contributed almost \$500,000 to Peter's campaign, and he was badly defeated. Peter will make many excuses for his huge defeat (usually blaming the "Republican tidal wave of 1994" which ignores that Horn won against far stronger candidates than Peter in 1992 and 1996 which were good Democratic years). The truth is that Peter lost because he has no support in the district. Money from well-meaning Indian-Americans around the country will not change that. 1998 will be no different than 1994.

3) Despite what Peter will tell you, Steve Horn is extremely popular in his district. In the last election, Horn's opponent (who had beaten Peter in the primary) spent over \$1,000,000. Horn spent less than \$500,000 and still won by 10 percentage points. In other words, Horn's opponent in 1996 spent more than twice what Peter raised from the Indian-American community in 1994 and still was beaten badly.


4) Most members of the area's Indian-American community realize that Peter is not going to win. That is why he has been raising virtually no money in the area and is turning to Indian-Americans around the country to help him. In fact, Peter has only twenty dollars in cash in his campaign account and he is \$36,000 in debt. This does not represent good management (the enclosed public document is Peter's most recent filing with the Federal Election Commission).

5) Steve Horn has good support among Indian-Americans in his district and among Indian-Americans in Southern California. He is open, accessible, and a friend to our community. In fact, Horn may have more support among Indian-Americans locally than does Mathews.

6) The only other time Peter got the nomination, in 1994, he conducted a campaign that did not bring honor to himself or to his supporters. See the enclosed editorial that the Long Beach Press-Telegram--the major newspaper in the district--issued on the day of the election in 1994.

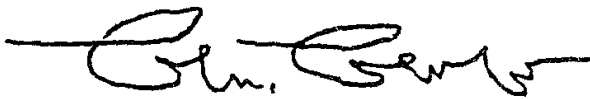
Personally, we wish Peter the best and encourage him to run for a local office that he is qualified for and has a chance of winning. Then he could develop a track record in office and gain support among the voters he seeks to represent. Until then, we should not deceive ourselves that Peter is going to do what he has been unable to do in the past and what much stronger Democratic candidates were unable to do against a highly qualified and effective Congressman, Steve Horn, who is a friend of our community. Let us focus the resources of our community on positive action and not squander it on another Mathews campaign. Steve Horn's re-election will have a far greater impact in politics serving the community's interest.

Sincerely,



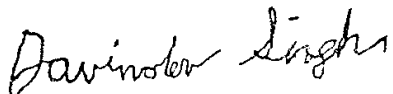
Dr. Sudershan Chawla,

Professor of Political Science, California State University, Long Beach and friend of Steve Horn for 27 years.



Dr. C. V. Chelapati,

Emeritus Professor of Civil Engineering, California State University, Long Beach and friend of Steve Horn for 26 years.



Dr. Davinder Singh,

Professor of Economics, California State University, Long Beach, and friend of Steve Horn for 16 years.

(prior to being elected to Congress in 1992, Steve Horn served as President of California State University, Long Beach for 18 years and as a Professor of Political Science).